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November 3, 2011

**Via ECFS**

Marlene Dortch, Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

**Re: Emerios  
Ex Parte Presentation – WC Docket No. 11-42, CC Docket No. 96-45, and WC  
Docket No. 03-109**

Dear Ms. Dortch:

In previous filings in these proceedings, Emerios discussed the proposed Eligibility and Duplicate Management Platform (“EDMP”) and its impact on waste, fraud and abuse in the Commission’s Lifeline and Link Up program (“Lifeline/Link Up”).<sup>1</sup> The EDMP is a phased approach for addressing duplicate resolution, ETC preference management, and eligibility determination and verification in Lifeline/Link Up. In this ex parte filing, Emerios discusses how an applicant’s identifying information is verified using a third-party verification vendor (“right-party determination”) under the EDMP. Emerios shows that self-certification with electronic right-party determination, as a means of establishing eligibility at time of initial application, has distinct advantages over a requirement to establish eligibility on the basis of unverified paper documentation and without electronic right-party determination (“paper certification”). Thus, Emerios urges the Commission to reject calls for paper certification and instead mandate self-certification with electronic right-party determination in adopting interim measures to assure the initial eligibility of program participants until such time as eligibility can be verified through access to state or federal eligibility databases.

<sup>1</sup> See Letter from Joan M. Griffin, Kelley Drye, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 11-42, *et al.*, Oct. 20, 2011; Comments of Emerios, WC Docket No. 11-42, *et al.*, Aug. 26, 2011; Letter from Joan M. Griffin, Kelley Drye, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 11-42, *et al.*, Aug 3, 2011.

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If the Commission decides to mandate paper certification for applicants, Emerios recommends that the FCC require ETCs to perform electronic right-party determination at the time of enrollment *in addition to* paper certification. Electronic right-party determination in these circumstances will ensure the continued accuracy of the enrollee database and thus will preserve the gains made by the interim duplicate resolution process.

#### Right-Party Determination Under the EDMP

As discussed in previous filings, the EDMP is a two-phase solution. In the first phase of the solution, a neutral third-party administrator would develop and implement, as part of the EDMP, a Duplicate Elimination and Preference Management System (“DEPM” or “Phase I”). Among other things, Phase I would identify and resolve all existing duplicates and prevent any new duplicates from being created. ETCs would use the DEPM prior to enrolling a new customer to identify and verify, through an ongoing carrier-neutral pre-qualification process, whether a household or an individual is already receiving a Lifeline/Link Up benefit.

The second phase (“Phase II”) of the EDMP would be the implementation of a technological solution to enable the full qualification of a consumer as well as automated annual verifications. This phase would be enabled by the creation and real-time integration of one or more eligibility data warehouses into the DEPM. Conceptually, these data warehouses could be state databases or federal national databases such as the Supplemental Nutrition Assistance Program (“SNAP”). Phase II would retain all of the duplicate prevention capabilities of Phase I and would build on the structure and systems developed in Phase I, thus dramatically reducing the cost and effort required to expand the functionality of the DEPM.

For right-party determination, the DEPM would use the services of a reputable third-party database services vendor (such as Lexis Nexis, Acxiom, or Experian) to confirm, through public information, that the information provided by the applicant is accurate. A new applicant would be required to provide his or her date of birth and the last four digits of his or her Social Security Number (“DOB/last 4SSN”) to the ETC in addition to name and address information. DOB/last 4SSN information is necessary to establish the identity and status of the customer, and to prevent minors from applying for the service.<sup>2</sup> The DEPM would automatically dip into the third-party database at

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<sup>2</sup> Emerios notes that use of DOB/last 4SSN information for identification purposes has been widely supported by ETCs and state commissions in the comments filed in this proceeding. *See, e.g.,* Comments of AT&T, Inc., WC Docket No. 11-42, *et al.*, Apr. 21, 2011, at 12-13 (name, address, DOB, last 4SSN); Comments of COMPTTEL, WC Docket No. 11-42, *et al.*, Apr. 21, 2011, at 3 (name, address, DOB); Comments of General Communication, Inc., WC Docket No. 11-42, *et al.*, Apr. 21, 2011, at 23 (name, year of birth, last 4SSN) (“GCI Apr. 21 Comments”); Comments of the Indiana Utility Regulatory Commission, WC Docket No. 11-42, *et al.*, Apr. 21, 2011, at 3 (name, address, last 4SSN); Comments of the Michigan Public

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the time the application is submitted to confirm that the applicant exists and also resides at the address provided. If desired, the DEPM can dip deeper into the third-party database utilizing a more thorough risk scoring process that will raise “red flags” that signal fraud (*e.g.*, evidence that the applicant resides in an area characterized by high property values or has committed fraud in the past).

Electronic right-party determination is a proven technology that is used extensively by retail and financial industries to verify customers and prevent fraud. The technology is currently employed in various commercial environments, including banks, credit agencies, and insurance companies. In the telecommunications industry, TracFone Wireless, Inc. (“TracFone”) uses electronic right-party determination as part of its fraud prevention practices. These practices reportedly have enabled TracFone to reduce its Lifeline/Link Up support payments by more than \$400 million annually.<sup>3</sup> In addition, electronic right-party determination technology is currently being used by government agencies for verification and fraud prevention. For example, the Social Security Administration uses Experian services to verify the identity of individuals seeking to obtain account information online.

#### Problems With Paper Certification

In its March 4, 2011 Notice of Proposed Rulemaking in this proceeding,<sup>4</sup> the Commission stated that the existing self-certification process does not provide adequate assurance that Lifeline/Link Up support is being provided only to qualified consumers. To address this concern until such time as eligibility can be verified through access to state or federal eligibility databases, the Commission proposed to eliminate self-certification as an option for establishing the eligibility of new applicants, and instead require paper certification.<sup>5</sup> Emerios respectfully submits that paper certification is a “feel good” solution that will not in fact provide the assurance that the Commission seeks.

The disadvantages of paper certification are significant. The comments filed thus far in this proceeding – most notably, the comments from consumer and non-profit organizations that work with

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Service Commission, WC Docket No. 11-42, *et al.*, Apr. 21, 2011, at 3 (name, address, DOB, last 4SSN). Florida already requires ETCs to use DOB/last 4SSN information to determine, via a real-time secure link, whether a prospective customer is participating in a Florida DCF public assistance program and thus is eligible for Lifeline/Link Up assistance. *See* Comments of Florida Public Service Commission, WC Docket No. 11-42, *et al.*, July 15, 2011, at 6-7.

<sup>3</sup> *See* Letter from Mitchell F. Brecher, Greenberg Traurig, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 11-42, *et al.*, Oct. 17, 2011, at Enclosure, p. 1 (“TracFone Oct. 17 Ex Parte Filing”).

<sup>4</sup> FCC 11-32, rel. Mar. 4, 2011.

<sup>5</sup> *Id.* at ¶ 150.

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low-income Americans -- overwhelmingly agree that paper certification is burdensome for the poor and disadvantaged.<sup>6</sup> As the Rainbow PUSH Coalition explained:

It has been our experience that income challenged Americans often have unstable housing conditions which affect their ability to maintain consistent sets of records as middle income and wealthy Americans are able to do. Often, these records are lost or destroyed. As a result, low income Americans often do not have readily available the original documents that prove they are receiving governmental benefits. Also, most low income individuals do not have easy access to the technology that will allow them to get these documents to the phone provider. The difficulties poor people face in accessing the Internet, sending a fax, making a copy or scanning a document can only be fully understood by those working with them directly. Presently, only 32% of those eligible for the program's services are receiving them. These proposed changes will shut out a large number of the remaining 68% of eligible low income Americans.<sup>7</sup>

The difficulties that TracFone and other ETCs faced in documenting program-based eligibility during the Hurricane Katrina temporary assistance program demonstrates that requiring persons facing difficult circumstances to produce government-issued documentation of program-based eligibility will preclude many such persons from enrolling.<sup>8</sup>

In addition, paper certification dramatically increases administrative and other costs for ETCs. For example, TracFone's customer acquisition costs are reportedly 6 times higher in paper

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<sup>6</sup> See, e.g., Reply Comments of National Consumers League and Consumer Action, WC Docket No. 11-42, *et al.*, May 25, 2011, at 2; Comments of Open Access Connections, Energy Cents Coalition, Main Street Project, Minnesota Center for Neighborhood Organizing, and Voices for Change, WC Docket No. 11-42, *et al.*, Apr. 21, 2011, at 4; Comments of the National Association of State Utility Consumer Advocates, WC Docket No. 11-42, *et al.*, Apr. 21, 2011, at 23; Comments of AT&T, Inc., WC Docket No. 11-42, *et al.*, Aug. 26, 2011, at 12; Comments of Nexus Communications, Inc., WC Docket No. 11-42, *et al.*, Aug. 26, 2011, at 16; Comments of TracFone Wireless, Inc., WC Docket No. 11-42, *et al.*, Apr. 21, 2011, at 28-29 (TracFone Apr. 21 Comments"); GCI Apr. 21 Comments at 48.

<sup>7</sup> Letter from Rev. Jesse L. Jackson, Sr., Rainbow PUSH Coalition, to FCC, WC Docket No. 11-42, *et al.*, Sept. 1, 2011, at 1-2.

<sup>8</sup> TracFone Apr. 21 Comments, at 29-30. TracFone cites its experiences in Louisiana, a self-certification state in which 71% of consumers who contact TracFone about Lifeline/Link Up complete the enrollment process, and in Missouri, a paper certification state in which only 32% of consumers who contact TracFone about Lifeline/Link Up eventually enroll, as further evidence that paper certification discourages eligible consumers from participating in Lifeline/Link Up. TracFone Oct. 17 Ex Parte Filing at Enclosure, p. 8.

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certification states than in self-certification states.<sup>9</sup> To the extent that paper certification discourages ETCs from offering Lifeline/Link Up services, it limits customer choice.

At the same time, paper certification does not ensure that applicants have provided accurate identifying information or are actually eligible for benefits. Applicants for Lifeline/Link Up service can use copy machines to create eligibility documents under a false name or using a false address. Even with proper training, ETC sales people can be fooled by fake eligibility paperwork. And unscrupulous ETC sales agents may overlook phony documents to earn sales commissions.

#### A Better Alternative: Self-Certification With Electronic Right-Party Determination

Emerios submits that until eligibility can be verified through access to state or federal eligibility databases, self-certification with electronic right-party determination will provide better assurance than paper certification that only eligible consumers receive Lifeline/Link Up benefits. Since electronic right-party determination validates the person applying, it prevents individuals from obtaining benefits using a false identity at a valid address, and makes it easier to detect and stop applicants trying to defraud the Lifeline/Link Up program. Importantly, self-certification with right-party determination facilitates the delivery of Lifeline/Link Up benefits to eligible Americans. While not every low-income consumer may have on hand the documents establishing his or her eligibility for SNAP or Medicaid, most if not everyone knows his or her DOB/last 4SSN. Furthermore, self-certification plus electronic right-party determination makes it easier for consumers to enroll in the program on line or over the phone, since supporting documentation is not required.

At the same time, self-certification with electronic right-party determination streamlines the administrative process for ETCs, since information rather than paperwork is being collected from applicants. Use of third parties and public information databases to confirm the identity of applicants makes it easier for ETCs to detect and stop incompetent or unscrupulous ETC agents who are inadvertently or intentionally accepting paperwork with false names or addresses. Since less documentary evidence is collected from the applicant during the enrollment process, self-certification with electronic right-party determination also presents less of a risk of identity theft than paper certification.

#### If Paper Certification is Required, Electronic Right-Party Determination Should Be Required As Well

Over the last few months, the Commission and the telecommunications industry have devoted considerable time and effort to identifying consumers or household receiving duplicate benefits and eliminating this deliberate or inadvertent abuse of the Lifeline/Link Up program. In Emerios' view, self-certification with electronic right-party determination is the next logical step in the progression

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<sup>9</sup> TracFone Oct. 17 Ex Parte Filing at Enclosure, p. 8.

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from this interim duplicate elimination process to the use of verification databases. As such, Emerios recommends that the Commission mandate self-certification with electronic right-party determination to assure the initial eligibility of program participants until such time as an applicant's eligibility can be verified through access to state or federal eligibility databases.

Should the Commission decide to adopt its proposal to mandate paper certification, Emerios urges the Commission to also require that all ETCs verify the identity of applicants through electronic right-party determination. The interim duplicate elimination process should leave the enrollee database largely free of duplicates. Since electronic right-party determination validates the person applying, use of electronic right-party determination at time of enrollment will increase the odds that new duplicates are detected and the enrollee database remains clean.

Please contact the undersigned counsel if there are any questions on this matter.

This letter is being filed electronically pursuant to section 1.1206 of the Commission's rules.

Sincerely,



Joan M. Griffin  
*Counsel for Emerios*

cc: Kimberly Scardino  
Jonathan Lechter  
Jamie Susskind